FLORENCE COPPER INC.



1575 W. Hunt Highway, Florence, Arizona 85132 USA

florencecopper.com

U.S. Certified Mail 7017 3040 0000 6064 5805 Return Receipt Requested

July 19, 2019

Mr. David Albright Drinking Water Protection Section (WTR 3-2) Environmental Protection Agency, Region 9 75 Hawthorne Street San Francisco, California 94105

Subject: Notification of Potential Alert Level/Aquifer Quality Level Exceedances

Underground Injection Control (UIC) Permit Number R9UIC-AZ3FY11-1

Dear Mr. Albright:

Florence Copper Inc. is regulated under UIC Permit No. R9UIC-AZ3FY11-1 (Permit), issued December 20, 2016 for a production test facility (PTF). The facility began active operations on December 15, 2018. In accordance with Part II.H.2.a of the Permit, Florence Copper is providing this preliminary notification of potential alert level (AL) and/or Aquifer Quality Level (AQL) exceedances.

On July 17, 2019, Florence Copper became aware from one of its environmental consultants of two potential AL or AQL exceedances for monitoring well M59-O, based on sampling conducted on April 24, 2019. First, field pH was recorded at 9.41 (standard pH units), above the upper pH AL of 8.7. Second, radiochemical gross beta was reported at 22.5±1.7 picocuries per liter (pCi/L) above the AL of 16 pCi/L.

Florence Copper instructed the consultant to expedite the collection of a verification pH measurement from M59-O to determine whether the initial reading continues be above the standard. The pH was measured at 7.88 on July 19, 2019 indicating that the AL for pH has not been exceeded.

Florence Copper also instructed the consultant to collect a verification sample from M59-O for gross beta and for other constituents consistent with Part II.H.2.c. That sample was collected on July 19, 2019. In accordance with Part II.H.2.a.ii, Florence Copper will provide an update to EPA when the verification results for gross beta are available.

Please call me at (520) 374-3984 Ext. 3710 should you have any questions or need any further information.



Sincerely,

Florence Copper Inc.

Dan Johnson

Vice President/General Manager

cc: Arizona Department of Environmental Quality, Water Quality Compliance Section